

STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

IN THE LAKE SUPERIOR COURT  
CAUSE NO. 45D11-0601-PL-00012

STATE OF INDIANA,  
Plaintiff,

v.

REASONS MEDICAL, INC., and  
JEFFREY SCOTT O'KELLEY,  
also known as  
SCOTT O'KELLEY

Defendants.

REGISTERED/CERTIFIED  
RECEIVED

JUN 15 2006

Thomas R. Philpot  
CLERK LAKE SUPERIOR COURT

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**PLAINTIFF'S FIRST AMENDED COMPLAINT**  
**FOR INJUNCTION, RESTITUTION, COSTS, AND CIVIL PENALTIES**

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1, *et seq.*, for injunctive relief, consumer restitution, costs, civil penalties, and other relief.

**PARTIES**

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5.0.5-4(c).
2. At all times relevant to this Complaint, the Defendant, Reasons Medical, Inc., was a for-profit domestic corporation with a principal place of business in Lake County, previously located at 435 East 3<sup>rd</sup> Street, Hobart, Indiana, 46342, and transacted business with consumers.

3. At all times relevant to this Complaint, the Defendant, Jeffrey Scott O'Kelley, also known as Scott O'Kelley, was an individual, previously doing business as Reasons Medical, Inc., with a principal place of business in Lake County, located at 435 East 3<sup>rd</sup> Street, Hobart, Indiana, 46342, and transacted business with consumers.

4. The Defendant, Jeffrey Scott O'Kelley, serves as the registered agent for the Defendant Corporation, Reasons Medical, Inc. Upon information and belief, the Defendant, Jeffrey Scott O'Kelley, is a principal of the Defendant Corporation, has failed to operate the Defendant Corporation as a distinct entity, and has used the Defendant Corporation to defraud others.

### **FACTS**

#### **A. Allegations Related to the Defendants' Transactions with Consumer:**

5. At least since April 5, 2002, the Defendants have represented they would sell medical attire and equipment to consumers.

6. Based upon these representations, the following consumers purchased medical attire and equipment from the Defendants via the Internet on the following dates for the following amounts:

a)	Ms. Deborah Jucha of Minnetonka, Minnesota	\$145.90
b)	Ms. Sheli Baker of Zelienople, Philadelphia	\$156.85
c)	Mr. Christopher Askew of Higley, Arizona	\$44.00
d)	Mr. Samuel Jordan of Spokane, Washington	\$149.85
e)	Ms. Lisa Vgolini of Lincroft, New Jersey	\$146.90
f)	Mr. John Bartlett of Hinesville, Georgia	\$82.90
g)	Ms. Deanne Williams of Anderson, South Carolina	\$165.80
h)	Ms. Mackenzie Leu of Crystal City, Missouri	\$68.90
i)	Ms. Heather Eggert of Newark, Delaware	\$72.90
j)	Ms. Annmarie D'Angelo of South Boston, Massachusetts	\$146.90
k)	Mr. Mark Pritsch of Dos Palos, California	\$174.85
l)	Mr. Chau Hoang of Pearland, Texas	\$174.85
m)	Ms. Megan Lehr of Redlands, California	\$132.90
n)	Ms. Sandra Skeen of Plymouth, Massachusetts	\$60.00

o)	Ms. Lori Ames of Warsaw, New York	\$156.85
p)	Mr. Paul Amato of Columbus, Ohio	\$131.90
q)	Ms. Donna Nodar of Phoenix, Arizona	\$146.90
r)	Ms. Mary Kiefer of Indianapolis, Indiana	\$147.00
s)	Ms. Jillian Morse of Davidson, Michigan	\$130.00
t)	Ms. Amber Frizzell of Centennial, Colorado	\$141.85
u)	Mr. Michael Bradley of Maryville, Tennessee	\$164.95
v)	Ms. Laura Randolph of Colonial Heights, Tennessee	\$68.00
w)	Ms. Hailee Dunning of Sweeny, Texas	\$145.90
x)	Mr. Juan Garcia of Fresno, California	\$98.00
y)	Ms. Jennifer Stanczyk of Sterling Heights, Missouri	\$140.00
z)	Ms. Kelly Johnson of Hilliard, Ohio	\$66.90
aa)	Mr. Robert Meringolo of Providence, Rhode Island	\$144.90
bb)	Ms. Jody Childress of Saint Cloud, Florida	\$74.85
cc)	Ms. Patricia Rosati of Exeter, Philadelphia	\$49.99
dd)	Mr. John Marshall of Richmond, Virginia	\$141.80
ee)	Ms. Elizabeth Yeater of Dayton, Washington	\$44.85
ff)	Mr. Daniel Acton of Alfred Station, New York	\$92.00
gg)	Ms. Natalie Klinge of New Berlin, Wisconsin	\$143.85
hh)	Mr. William Blaine Kunz of Atlanta, Georgia	\$68.90
ii)	Ms. Loralyn Colosi of Utica, New York	\$128.90
jj)	Ms. Sue Senator of Rochester, New York	\$75.90
kk)	Ms. Rita Mark of Lynnwood, Washington	\$156.85
ll)	Ms. Terrie Griffes of Jackson, Michigan	\$75.90
mm)	Ms. Mandy Spiers of Kiln, Mississippi	\$60.00
nn)	Ms. Melissa Moyers of Rockport, West Virginia	\$22.75
oo)	Mr. Nik Friddle of Centerville, Utah	\$43.90
pp)	Mr. Jason Terry of Oneida, Tennessee	\$153.85
qq)	Mr. John Kapis of Canonsburg, Pennsylvania	\$100.10
rr)	Ms. Rachel Harris of Rockville, Indiana	\$140.22
ss)	Ms. Marianne Kerr of Mount Laurel, New Jersey	\$60.00
tt)	Mr. Benjamin March of Manchester, Connecticut	\$174.80
uu)	Ms. Jean Pentecost of Butte, Montana	\$173.00
vv)	Ms. Laura Schott of San Antonio, Texas	\$89.85
ww)	Ms. Yolanda Gillison of Indianapolis, Indiana	\$154.00
xx)	Ms. Shantelle Feragen of Casselton, North Dakota	\$156.85
yy)	Ms. Martha Lockhart of Grand Blanc, Michigan	\$84.00
zz)	Ms. Kristi Wells-Bevis of Oceanside, California	\$21.95
aaa)	Ms. Allison Anderson of Bridgeport, West Virginia	\$21.95
bbb)	Mr. Anton Zarjetskiy of Shaker Heights, Ohio	\$132.90
ccc)	Mr. Winfred Statum, III of Manvel, Texas	\$143.85
ddd)	Ms. Donna Butler of Walton, New York	\$145.90
eee)	Ms. Jill Washburn of Houston, Texas	\$82.90
fff)	Ms. Marge Paradis of Kingston, Georgia	\$40.06
ggg)	Ms. Rita Mark of Lynnwood, Washington	\$156.85
hhh)	Mr. Dennison We of Elmont, New York	\$153.85

iii)	Ms. Karen Dukes of Killeen, Texas	\$164.05
jjj)	Mr. Adam Dawidczyk of Tolland, Connecticut	\$145.90
kkk)	Ms. Karen J. Grammer of Lafayette, Indiana	\$96.11
lll)	Ms. Laurie Owens of Biloxi, Mississippi	\$25.90
mmm)	Ms. Betsy Wagner of Merriam, KS	\$27.90
nnn)	Mr. Todd McCrea of San Francisco, California	\$143.85
ooo)	Mr. Richard Marshall of Penn Yan Penn, New York	\$149.90
ppp)	Mr. Holin Honeyfield of Chattaroy, Washington	\$86.00
qqq)	Ms. Maureen Murray of Cheshire, Connecticut	\$91.90
rrr)	Ms. Katherine Gowan of Billings, Montana	\$156.95
sss)	Ms. Jamie Lickteig of New Caney, Texas	\$147.00
ttt)	Mr. Kenneth Mack of Fort Lauderdale, Florida	\$189.00
uuu)	Ms. Rebecca Hazel of Sykesville, Maryland	\$93.10
vvv)	Ms. Sarah Rittman	\$176.80
www)	Mr. Kirk Carroll of Sulphur, Louisiana	\$168.00
xxx)	Ms. Teresa Cowell of Cortlandt Manor, New York	\$163.58
yyy)	Ms. Dana Bumtsed of Bellevue, Ohio	\$59.35
zzz)	Ms. Lisa Hitchcock-Weber of Valparaiso, Indiana	\$87.28
aaaa)	Mr. Brian Dillehay of Jacksonville, Florida	\$104.85
bbbb)	Ms. Denise White of Annapolis, Maryland	\$68.39
cccc)	Ms. Cathi Newara of North East, Philadelphia	\$125.15
dddd)	Ms. Patricia L. Miller of Scottsdale, Arizona	\$145.90
eeee)	Ms. Deirdra Johnson of Westchester, Illinois	\$156.85
fff)	Mr. Russell Anderson of Missoula, Montana	\$76.85
ggg)	Mr. Chad Meeks of Aubrey, Texas	\$156.85
hhh)	Mr. James Brittingham of Laurel, Delaware	\$274.63
iii)	Mr. Ralph V. Smith of Aiken, South Carolina	\$82.90
jjj)	Ms. Kelly Freeman of Hogansville, Georgia	\$72.90
kkk)	Mr. Joseph Unson of San Diego, California	\$130.85
lll)	Ms. Beth Morrison of Zanesville, Ohio	\$146.90
mmm)	Ms. Sarah Welch of Rindge, New Hampshire	\$68.90
nnn)	Ms. Michelle Davidson of Manassas, Virginia	\$47.90
ooo)	Mr. Thuy Bui of Pittsburgh, Pennsylvania	\$145.00
ppp)	Ms. Amy Olsen of Grapevine, Texas	\$145.90
qqq)	Ms. Olga Rafaelian of San Francisco, California	\$130.00
rrr)	Mr. Scott Laufenberg of Cashton, Wisconsin	\$145.90
sss)	Mr. Alan Oden of Detroit, Michigan	\$31.95
ttt)	Ms. Julie Elam of Grove City, Ohio	\$63.15
uuu)	Mr. Dale Tetrault of South Hamilton, Massachusetts	\$27.55
vvv)	Ms. Karen Kelley of Morris, Illinois	\$255.85
www)	Ms. Jennifer Groom of Davia, California	\$142.85
xxx)	Ms. Lisa Hoots of Winchester, Illinois	\$56.85
yyy)	Ms. Rachel Brown of Antelope, California	\$143.85
zzz)	Ms. Heather Margo of Mc Knight, Pennsylvania	\$21.10
aaaa)	Ms. Janet M. Peche of Brandon, Florida	\$86.00
bbbb)	Ms. Emma L. Mitchell of Scottsville, Virginia	\$97.00

cccc)	Mr. David Parkhurst of Winters, California	\$132.90
dddd)	Ms. Heather Skaggs of Clarkson, Kentucky	\$82.90
eeee)	Mr. Lionel Gautreaux of Kyle, Texas	\$156.85
ffff)	Ms. Brook Buerkle of Moorhead, Montana	\$132.90
gggg)	Ms. Kelly Sterling of Dublin, Georgia	\$89.85
hhhh)	Ms. Kimberly Baydarian of Baltimore, Maryland	\$135.95
iiii)	Ms. Erin Barnett of Bloomingdale, Ohio	\$145.90
jjjj)	Ms. Lisa DeVine of Booneville, Arizona	\$68.90
kkkk)	Ms. Kara Firth of Oklahoma City, Oklahoma	\$143.85
llll)	Ms. April Yankovich of Hammond, Indiana	\$114.00
mmmm)	Ms. Bonnie Griffith of Wattsburg, Pennsylvania	\$45.45
nnnn)	Mr. Michael Keller of Ann Arbor, Michigan	\$82.90
oooo)	Ms. Karen Latera of Coconut Creek, Florida	\$143.85
pppp)	Ms. Sandy Beck of Colome, South Dakota	\$68.90
qqqq)	Mr. Daryl Dickson of Rapid City, South Dakota	\$176.80
rrrr)	Ms. Cheri L. Wilkins of Fort Lauderdale, Florida	\$54.55
ssss)	Ms. Aileene Ventura of Piscataway, New Jersey	\$143.85
tttt)	Mr. Thomas Sweeney of Niles, Michigan	\$139.00
uuuu)	Ms. Beverly Chandlee of Sharon Hill, Pennsylvania	\$89.85
vvvv)	Ms. Ida Norred of Holden, Louisiana	\$156.85
wwww)	Ms. Jill LaBarbera of Eau Claire, Wisconsin	\$25.95
xxxx)	Ms. Loretta White of Morristown, Tennessee	\$152.85
yyyy)	Mr. Newton Hughes of Barberton, Ohio	\$44.90
zzzz)	Mr. James D. Berkowitz of Queensbury, New York	\$174.85
aaaaa)	Ms. Jeanne E. Skelly of Chicago, Illinois	\$142.85
bbbbb)	Mr. Robert F. English of Hopewell, Virginia	\$156.85
cccc)	Ms. Julie Graham of Altaville, California	\$156.85
dddd)	Mr. Heith W. Gammons of Fort Worth, Texas	\$135.00; and
eeee)	Ms. Andrea Ochoa of Ralston, Pennsylvania	\$180.00
<b>TOTAL:</b>		<b>\$15,575.41</b>

7. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of sale they would deliver the items to the consumers within a reasonable period of time.

8. As of today, the Defendants have yet to either deliver the items, or provide refunds to the Consumers identified in Paragraph 6 above.

#### **COUNT I – VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT**

9. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 through 8 above.

**RELIEF**

WHEREFORE, the Plaintiff, State of Indiana, requests the Court enter judgment against the Defendants, Reasons Medical, Inc. and Jeffrey Scott O'Kelley, for a permanent injunction pursuant to Ind. Code § 24-5-0.5-4(c)(1), enjoining the Defendants from the following:

- a. representing expressly or by implication the subject of a consumer transaction has sponsorship, approval, characteristics, accessories, uses, or benefits it does not have which the Defendants know or reasonably should know it does not have;
- b. representing, either orally or in writing, the subject of a consumer transaction will be supplied to the public in greater quantity than the Defendants intend or reasonably expect, when the Defendants know or reasonably should have known it will not;
- c. representing, expressly or by implication, the subject of a consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and if the Defendants know or reasonably should have known the representation is false;
- d. representing expressly or by implication the Defendants are able to deliver or complete the subject of a consumer transaction within a reasonable period of time, when the Defendants know or reasonably should know they cannot or will not; and

- e. representing expressly or by implication the consumers will be able to purchase the subject of a consumer transaction as advertised by the Defendants, if the Defendants do not intend to sell it.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendants, Reasons Medical, Inc. and Jeffrey Scott O'Kelley, for the following relief:

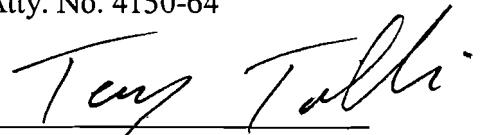
- a. cancellation of the Defendants' unlawful contracts with all consumers, including but not limited to the consumers identified in paragraph 6, pursuant to Ind. Code § 24-5-0.5-4(d).
- b. consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2), for reimbursement of all unlawfully obtained funds remitted by consumers for the purchase of items from the Defendants, including but not limited to the consumers identified in paragraph 6, in an amount to be determined at trial;
- c. costs, pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;
- d. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-4(g), for the Defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;

- e. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-8, for the Defendants' intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- f. all other just and proper relief.

Respectfully submitted,

STEVE CARTER  
Indiana Attorney General  
Atty. No. 4150-64

By:

  
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